

Economic and monetary union EMU: public finances, 2001 budgetary results, developments.

3rd report

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The committee adopted the report by Manuel DOS SANTOS (PES, P) on the Commission review of EMU public finances in 2002. Although the committee approved the final text by a large majority, many individual points were adopted by a tight margin. MEPs restated their support for the Stability and Growth Pact and welcomed the idea of applying it flexibly, with a stronger emphasis on Member States' overall debt levels as proposed by the Commission. However, they warned against any attempt to exclude certain expenditure items when calculating deficits. The committee welcomed the commitment to reduce structural deficits by 0.5% of GDP annually, especially in Germany, France, Italy and Portugal, with the aim of reaching a position close to balance. It also stressed that the Pact allows enough room for manoeuvre during crisis periods to countries "that have not overstretched their budgets". The committee also recommended that pro-cyclical budget policies be avoided "at any time", not just in good times. Lastly, it called for the basic principles of the Pact to be included in the future Constitutional Treaty.